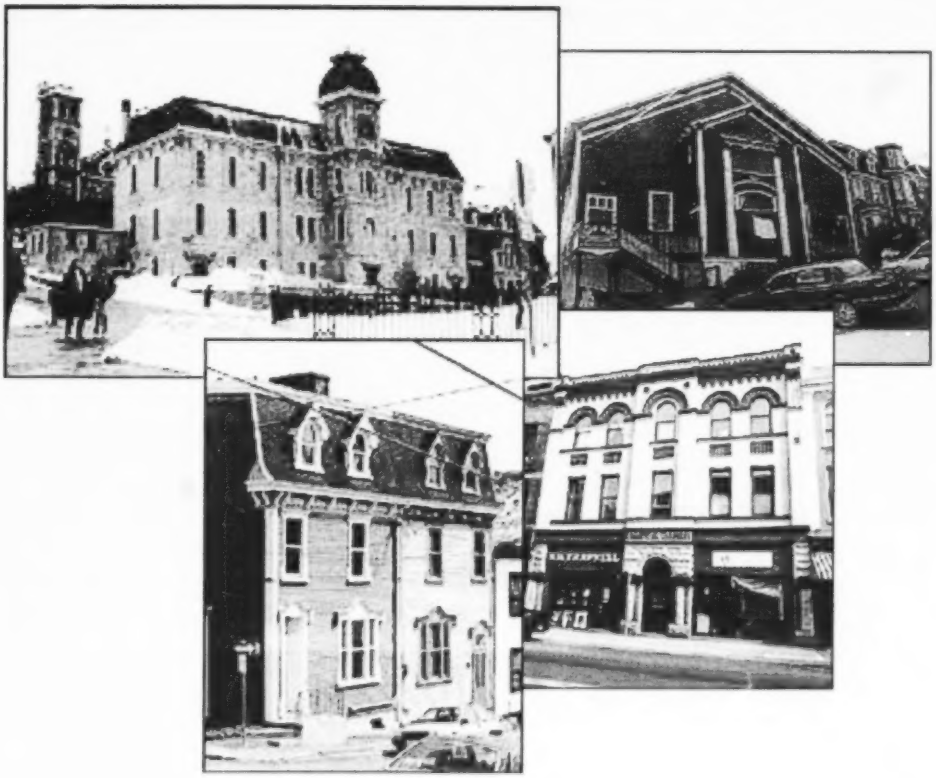
Downtown St. John's Strategy for Economic Development and Heritage Preservation



Background Report No. 1
Case Study Analysis

Prepared by the
Study Team for the
Steering Committee

27 January 2000

2008-05765/

Table of Contents

Introduction 1

Case Study 1. Inner City, Kitchener, Ontario 2

Case Study 2. Gastown, Vancouver, British Columbia 5

Case Study 3. Trinity Royal and Orange Street Preservation Areas, Saint John, New Brunswick 8

Case Study 4. Historic Downtown Core, Halifax, Nova Scotia 11

Case Study 5. Old Montreal, Québec 14

Observations from Elsewhere 18

- Strathcona Neighbourhood, Vancouver 18
- Boyle and McCauley Area Neighbourhood Improvement Plan, Edmonton . 18
- Old Town, Victoria 18
- "The Kings", Toronto 19
- The Strand, Galveston, Texas, USA 19
- Lower Downtown, Denver, Colorado, USA 20
- Pike Place Market Historical District, Seattle, USA 20
- Grainger Town, Newcastle-upon-Tyne, UK 21
- Little Germany, Bradford, UK 21
- Temple Bar, Dublin, Republic of Ireland 22

Summary 23

Introduction

Learning from others is a well-worn path to knowing where to go and what to avoid. Many other cities face or have experienced challenges in the downtown similar to those of St. John's. While none of these can serve as a complete model for St. John's, recognizing that each city is particular to its own place and time, there is a universality of experience that is in many respects transferable to other settings. It is instructive, therefore, to analyse best practices and lessons from elsewhere to help shape the City's strategy for economic development and heritage preservation.

Presented here are five concise case studies of Canadian cities that hold important lessons, both positive and negative, for St. John's. In each instance, a downtown area has been selected that is in some way comparable to St. John's, and raises issues about alternative strategies for development and preservation. While some case histories may be quite substantial, in every instance significant activity will have occurred in the 1990s. Each case begins with a brief summary of the general situation and the chief lessons to be drawn. A synoptic analysis is then made of each of the following matters:

- **Conditions**: history, changes and emerging issues.
- **Regulatory measures**: principal legal controls to protect heritage assets.
- **Financial measures**: type and magnitude of assistance for conservation.
- **Other inducements**: de-regulation and administrative measures for investment.
- **Public participation/education**: actions to gain public support and further good practice.
- **Marketing and promotion**: actions to drive regeneration, partnerships and spending.
- **Successes**: principles, strategies and other factors that contribute to positive outcomes.
- **Difficulties/failure**: strategies that did not work as intended or were misconceived.

In order to reinforce and broaden the findings of the five concise case studies, the foregoing analysis is followed by a compendium of important observations from other Canadian cases as well as many from abroad. These observations will be made primarily for their applicability to the downtown St. John's situation but will also

include some leading-edge ideas that may be adapted for use in the shaping of strategies suitable for the City.

This section closes with a summary listing of those key principles, strategies and other factors that can contribute to a successful partnership between economic development and heritage preservation in downtown St. John's, based on a broad understanding of what has worked elsewhere.

Case Study 1. Inner City, Kitchener, Ontario

Summary

Inner-city Kitchener was severely affected by the process of de-industrialization at the end of the 20th century, and the consequent redundancy of industrial, commercial and institutional buildings. It tackled the problem by assembling a team of Council members, city staff, developers, financial institutions, and architects and planning consultants to develop a far-reaching approach to the adaptive re-use of abandoned and vacant buildings that would combine economic revitalization and conservation efforts. The primary focus of the resultant strategy, adopted by Council in 1994, was the elimination of disincentives to adaptive re-use identified in City planning policy. Some incentives were added in the form of proactive approaches to building permits and inspections, flexible development standards, investment in public infrastructure, exemption of development charges, tax-back grants, feasibility study grants, streamlining of approvals, an innovative marketing program, and negotiated adaptive re-use scheme agreements for legally designated heritage buildings. The City also has had in place for many years (prior to 1994) a facade/interior improvement loan program for downtown commercial properties. Citizens and Council remain committed to the initiative. Successful results have been incremental and demonstrably encouraging.

Conditions: Kitchener (Berlin prior to 1916) was shaped by industrial growth, especially around 1900 when the building of factories accounted for up to 70% of the total value of construction. Following the Second World War, Kitchener experienced accelerating industrial decline in its inner-city. In the last decades of the 20th century abandoned industrial as well as commercial and institutional buildings blighted the downtown. By the early 1990s, led by a politically-wise councillor, the City began to acknowledge the potential benefits of adaptive re-use to the economy through jobs, maintenance of the tax base and spin-off investments, to the environment through the use of existing infrastructure and to downtown streetscapes through revitalization and conservation.

Regulatory measures: The City designates buildings under the *Ontario Heritage Act* but usually only with willing property-owners (although this is not a statutory requirement). Many buildings identified as suitable candidates for adaptive-reuse are designated. As a matter of policy, the City negotiates agreements for adaptive re-use schemes in designated properties; these take the form of a clause in the reasons for designation stated in the designating by-law that spells out that sympathetic alterations in keeping with the agreed to elevation drawings will be approved. This provides a measure of certainty to developers, especially when redevelopment is planned for reasonably far in the future or is indefinite. Additionally, the Victoria residential neighbourhood adjacent to the inner-city is municipally designated as a heritage conservation district. In 1998, the City sought and was granted special provincial legislation that allows the City to withhold a permit for the demolition of any designated heritage building until a permit has been issued for a new replacement building (a dozen other municipalities in Ontario have similar special legislation that somewhat mitigates the problem of limited demolition control provisions under the *Ontario Heritage Act* and the *Planning Act*).

Financial measures: In 1995, the Council amended the City's Development Charge By-law to exempt all development within the downtown from paying development charges; the City also exempted all properties within the downtown from providing parkland or cash-in-lieu equal to 5% of the value of the property. To offset part of the increase in property taxes resulting from reassessment due to redevelopment, owners of redeveloped disused industrial buildings in the downtown receive a grant or rebate (known as tax-back grant in Ontario) over a three year period equal to 50% of the increase in the City's portion of the property tax (regional government portion and school board portion partially rebated). Properties identified on the Adaptive Re-use Priorities List (22) are eligible for feasibility study grants that cover 50% of study cost to a maximum of $10,000. The City also has had in place for many years (prior to the above initiatives) a facade/interior improvement program available to downtown commercial properties. The maximum loan for one address is $15,000 ($7,500 exterior and $7,500 interior); the maximum loan for any individual owner (who owns more than one property) is $45,000. 15% of each loan is forgiven so that only 85% of the actual loan needs to be paid back. While the loan program has been used for work to buildings on the City's "list" of heritage properties, no owner of a legally designated heritage property has taken advantage of the program to date.

Other inducements: A multitude of regulations have been eliminated to maximize flexibility and cut red tape. The City's Official Plan (1994) has a new flexible land use category, the Comprehensive Development Area, that is applied to selected industrial properties; this essentially allows for either continued industrial use or conversion to other uses (eg. residential, commercial, mixed-use). A new comprehensive zoning by-law covers the entire city and is generic in its approach to permitted uses to accommodate market forces and architectural creativity. A Retail Core Zone covers most of the downtown and creates an enterprise zone where all but noxious or heavy industry uses are permitted. This zone is designated as a Community Improvement Area under the *Planning Act* and is the area of downtown within which all financial incentives and other inducements for rehabilitation and conservation apply. Certain downtown zoning by-laws were amended to permit conversion of ground floors to residential uses. And, a major zoning amendment reduces parking requirements for adaptive re-use sites in downtown. City staff, at the request of owners, will conduct site inspections of buildings targeted for re-use in an advisory/consultative role; advice is given on which proposed uses require the most/least upgrading to comply with the building code. The City building inspectors will also issue permits for various stages of construction for adaptive re-use projects to minimize accumulative delay. The City's public works department uses more flexible standards when reviewing engineering requirements for adaptive re-use projects (eg. storm water management standards are exempted). The City has invested substantially in public infrastructure downtown, including a special program to reconstruct and upgrade older streets and replace sidewalks and curbs. During the period 1995 to 1999, $2.2 M was allocated for downtown revitalization. A streamlined site plan approval process has cut time by almost a month; building approval time is down to 2 to 3 weeks. A project facilitator guides adaptive re-use applicants through the maze of City approvals and a one stop shopping service has been initiated amongst City departments.

Public participation/education: An Adaptive Re-use Symposium was held in 1995 (attracted 150 people). The City of Kitchener's Department of Business & Planning Services recently issued *Heritage News*, Heritage Kitchener's newsletter for owners of designated property (Fall/Winter 1999-2000). See also various proactive educational measures with owners/investors in adaptive re-use projects in section on "other inducements", above.

Marketing and promotion: The City has developed information portfolios for its 22 adaptive re-use sites (eg. applicable municipal plan and zoning bylaw information, site and building condition, etc.); these are made available to prospective investors. Well-designed promotion literature has been developed with eye-catching titles such as "Blowing Your Own Horn".

Successes: An adaptive re-use scheme agreement was reached as part of the heritage designation by-law with
the owners of the Kaufman Footwear Factory, a multi-storey industrial complex that covers an entire city block and has served as a gateway to downtown for some 90 years. The adaptive re-use and urban regeneration policies have also succeeded in effecting major conversion projects for a former leather products manufacturing complex (now houses some 50 tenants needing small workshops and offices) a vacant clothing factory, a former department store, a redundant high school, and a City-owned old registry office building, amongst others. All of these are municipally designated heritage properties. The City believes strongly that heritage preservation is a positive strategy for urban regeneration, including economic development. No analysis has been made yet of the economic impacts of heritage preservation or of the adaptive re-use program as a whole.

Difficulties/failure: No significant problems have been identified yet, although the urban regeneration initiative has been in place for only six years. Progress is incremental and by no means has the downtown been dramatically transformed.

Case Study 2. Gastown, Vancouver, British Columbia

Summary

Gastown is perhaps the most celebrated historic district in Canada and served as a model for similar initiatives launched in the 1970s and early 1980s. After a vigorous

effort by preservationists to save the area and some initial private investment in rehabilitation, Gastown was legally designated a historic district in 1971. During the 1970s the area was transformed mainly by private investment in rehabilitation and conversion schemes for commercial enterprises that were enhanced by public investment in streetscape improvements ("beautification"). Substantial economic benefits were recorded. From the outset (and still persisting today) there were difficult challenges in meeting requirements for seismic upgrading of rehabilitated buildings. The original "beautification" projects were cost-shared but the City has relied primarily on non-financial inducements to encourage conservation. These inducements include waiving of parking requirements, reduction in building permit fees, exempting existing buildings from development cost levies, giving priority to permit applications in processing procedures, and public purchase of a large parkade facility to meet parking demands. While successful projects to enhance Gastown's historical character continued throughout the 1980s and into the 1990s, severe social problems (drug trade, health problems, crime) from Vancouver's Downtown Eastside began to spill-over into Gastown and threaten the historic district's future. The City and Province have entered into agreements to tackle the social problems, and the City is undertaking the development of a Gastown Heritage Management Plan to be completed in the summer of 2000.

Conditions: Gastown, located north of Hastings Street between Richards and Main Streets, is the birthplace of Vancouver. It grew up as a timber-built town around Hastings Mill, a key enterprise in the dominant industry of early Vancouver - saw milling. The area was nearly totally destroyed by fire shortly before the City was incorporated in 1886. Gastown was rebuilt in brick and stone; structures were mainly hotels, retail establishments and warehouses. After the First World War, Vancouver's downtown, which had been expanding out from Gastown, shifted its core to the west. At the same time the move away from rail to ship-based goods traffic precipitated a sharp drop in Gastown's economic vitality. Nevertheless, early post-fire buildings remained, largely unaltered. In the 1960s, a radical plan to push a freeway through Gastown (and adjacent Chinatown) rallied opposition that was successful in getting the provincial government to legally designate Gastown as a heritage district in 1971 (230 buildings plus the intervening properties). Private investors rehabilitated and converted district buildings to various commercial uses (many catering to tourists) and public authorities funded streetscape "beautification" works, cost-shared with district property owners; works included brick sidewalks, cobbled streets, trees, iron bollards and special replica lighting. Property values and assessments demonstrably increased and tax revenues rose accordingly. Substantial economic activity was generated by tourism. The cost of meeting seismic upgrading requirements for rehabilitation projects proved a problem from the outset and continues today. A Business Improvement Area (self-taxing organization that promotes the commercial area) was later established. In 1974, the City further supported the efforts by making Gastown a special place by establishing new historic area zoning and creating a local citizen's advisory committee. These actions served Gastown well for many years; some substantial rehabilitation or restoration projects were undertaken and other structures were reasonably well kept up. There was also new construction (on former parking lots), including some significant residential buildings. More recently, however, Gastown has suffered spill-over effects of the serious social problems (drug trade, health problems and crime) centred in Vancouver's Downtown Eastside. These problems are likely to persist for a considerable time but are being tackled by the Province and City in the Urban Development Agreement and the Vancouver Agreement. In a complementary move, the City (with financial assistance from the Province) has recently initiated a project to produce a Gastown Heritage Management Plan.

Regulatory measures: The City received provincial enabling legislation to designate heritage properties in 1973. Over the years, because of the statutory provision for "compensation" to owners for any financial loss incurred as a result of designation, and other reasons, the City has only designated properties with the consent of owners. In 1977, the provincial minister responsible for the heritage district delegated to the City's director of planning the authority to administer provincially designated properties and to issue permits for alterations. As part of the development application process, proposed changes are reviewed by the Gastown Historic Area Planning Committee. The effect of designation under either provincial or municipal designation is that no demolition or exterior alterations may be undertaken without permission. By 1986, the City established the Vancouver Heritage Registry which included buildings, landscapes, monuments and archaeological sites. Currently there are some 2,200 registered heritage resources; approximately 16% (about 350) are either municipally or provincially designated. In 1994, the Province enacted the *Heritage Conservation Statutes Amendment Act* (a comprehensive updating of 22 Provincial statutes) that now effects the current legal environment having a direct bearing on Gastown. The change effected amendments to the Vancouver Charter that included the Heritage Revitalization Agreement (HRA). An HRA is an agreement negotiated by the City and an owner of a heritage property; the agreement may vary or supplement provisions of various applicable by-laws and permits, establish timing of terms, and include other items.

Financial measures: Notwithstanding earlier direct financial assistance discussed above (see Conditions), the City has moved away from this strategy of providing "incentives" towards other inducements that are worth money to property owners/investors (see Other Inducements, below). It should be noted, however, that the consultants engaged to make recommendations on the recently initiated Gastown Heritage Management Plan will be looking at property tax incentives, now permitted under the new provincial heritage legislation.

Other inducements: These are essentially inducements by way of breaks from the regular city planning regulations. No parking is required if a Gastown building is converted to residential use. The permit fees for maintenance and minor repair has been reduced (to $30). Floor space in existing buildings is exempt from Development Cost Levies. Gastown development applications are given priority for consideration in the permit processing procedures (called a "green door" process). Given that parking is an ongoing need for Gastown, the City purchased a large (about 100 stall) parkade (from the defunct Woodwards department store, a Vancouver landmark). The City has recently retained consultants to advise on seismic upgrading of this parking facility and will invest money in making the rather unprepossessing structure a more positive contribution to the street appearance. Consultants are due to complete the Gastown Heritage Management Plan (including a variety of incentives/inducements) by the summer of 2000. The City is currently entertaining in the interim, a Heritage Revitalization Agreement for two Gastown buildings which would in both cases see heritage buildings rehabilitated in return for bonus density created and transferred into the Central Area of downtown (a form of Transfer of Development Rights or TDR).

Public participation/education: The Gastown Historic Area Planning Committee is one of the first and longest standing advisory committees in Vancouver. The City has a public education and information program to provide the public with information on heritage issues and appropriate conservation techniques. It also has an annual Heritage Awards program and a Heritage Plaque program for municipally designated heritage sites. The City of Vancouver's web site has information on the municipality's heritage conservation program and features a walking tour of Gastown with information on key heritage buildings. The City has recently redone its Gastown walking tour brochure (available from the downtown Library).

Marketing and promotion: Promotion of Gastown falls largely to the Gastown Business Improvement Society. It undertakes joint advertising, an annual banner program, and summer hanging flower baskets. It has also installed recently, a series of interpretive plaques on many buildings and runs summer walking tours.

Successes: For the most part, the private sector has driven the economic development and heritage preservation strategy in Gastown aided to a degree by public authorities and property-owner/business associations, particularly the Gastown Business Improvement Society. There are a number of buildings of various sizes that have been rehabilitated and contribute to the maintenance of Gastown's heritage character. For example, in the 1980s a large warehouse, the Landing was revitalized. Quite a few new market condominiums have been constructed throughout th 1990s; this is a novel development for Gastown and is a direct response to housing market demands in Vancouver's downtown.

Difficulties/failure: The gradual spill-over of social problems from the Downtown Eastside has created a serious problem for Gastown in maintaining its retail base. Some cruise ship companies have advised their customers not to go to Gastown, as it is considered too dangerous. The corresponding lack of commercial vitality is proving a problem for maintaining the heritage buildings. As previously pointed out, the matter of seismic upgrading continues to be problematic for technical, aesthetic and cost reasons.

Case Study 3. Trinity Royal and Orange Street Preservation Areas, Saint John, New Brunswick

Summary

Saint John has two contiguous heritage districts in the heart of its historic uptown. Some two decades of rehabilitation activity in these areas has contributed to turning around the image of uptown and resulted in substantial economic and other benefits. Preservation has been driven primarily by a continuous and substantial program of grants-in-aid of conservation, coupled with regulatory activities under municipal preservation areas by-laws and proactive public education efforts, especially with heritage building owners. Tourism is a major economic force in the preservation areas, particularly visitation from cruise ships stopping at Saint John. There are, however, a number of problems: the commercial heritage properties housing on-street retail in the principal preservation area are losing trade to both an uptown "mall" environment created by the "Inside Connection" that links surrounding buildings, and to suburban shopping malls and "big box" stores; budget cutbacks have decreased heritage grants available as "incentives" for rehabilitation; and "drug trafficking" is starting to tarnish the image of uptown causing worry for future economic development and heritage preservation.

Conditions: Trinity Royal and Orange Street are contiguous preservation areas (heritage districts) in the heart of the historic downtown (or uptown, in local parlance) of Saint John. Trinity Royal, designated in 1981, comprises some 20 blocks and approximately 800 buildings; 40% of the area is commercial, 55% residential (multi-family), and 5% institutional. The building stock is primarily 3 storey masonry buildings. The on-street retail business of Trinity Royal is currently on the decline in the face of competition from retailers in the uptown "Inside Connection" (essentially a downtown "mall" environment where shoppers do not need to go outside and access individual buildings from a network of connecting links underground, at grade and elevated), and from "big box" retailers that are located on established regional mall sites in the suburban surroundings of old downtown. Drug traffic is becoming a serious issue uptown and is leaving the impression with some that the area is unsafe. A positive development, however, is the growth in retail trade catering to tourists from cruise ship traffic into Saint John. Recently, there has been change in the commercial mix of Trinity Royal from retail to office. Adjacent Orange Street, designated 1989-90, comprises a predominantly residential area mostly of row-housing; buildings are a mix of wood and brick and of 2 to 4 storeys.

Regulatory measures: The City designates preservation areas through municipal by-law that defines controls in zoning rather than architectural terms.

Financial measures: In 1991-95 the Urban Economic Development Cooperation Agreement Program provided grants of 50% of the cost to some 28 heritage projects. Since 1989, the City has provided grants covering 20% of the cost of sensitive rehabilitation/restoration to building exteriors. A Design Professional Program provides grants of 50% of the cost to have an architect prepare a preservation program that recommends the appropriate level of intervention. Also, the City has an Upper Floor Grant Program for commercial property owners to help investigate the feasibility of developing such frequently under-utilized spaces; the municipality will pay up to 80% of he cost of retaining the services of a design/structural professional to undertake the necessary study. The Preservation Review Board approves municipal heritage grants with recommendations from the City's Heritage Development Officer. Approximately 100 building rehabilitation projects are reviewed yearly; these range from total project cost of $1,000 to $1 million.

Other inducements: City heritage staff play a direct, proactive role with projects in the preservation areas to provide advice on cost and technical matters (including dispelling perceptions of the superiority of modern materials).

Public participation/education: The City's Heritage Development Officer gives regular workshops on topical preservation issues (appropriate windows, masonry repair, compatible signs, recognizing architectural styles). The City publishes educational materials including practical preservation guidelines that won an award from the American Association for State and Local History. Brochures are provided on heritage grant programs. Four historic walking tours have been developed. A number of Heritage Week activities are organized (architectural puzzle contests, scavenger hunts, presentations in schools etc.).

Marketing and promotion: The City features heritage buildings/districts on tourism literature. Uptown Saint John (USJ), a business development and marketing organization, is the principal agent of marketing/promoting heritage as a key aspect of encouraging good business in the Trinity Royal Preservation Area. USJ focuses on streetscape "beautification" (eg. attractive area banners), annual trade, fashion, and food shows, media campaigns and business development (working with municipality and business partners).

Successes: Total sensitive rehabilitation project spending over the last ten years is estimated at $30 million. Grants programs (Urban Economic Development Cooperation Agreement Program and municipal heritage grants programs) have levered an estimated $20 million of private expenditure on heritage preservation during this period. Property owners in the preservation areas have worked with the City's Heritage Development Officer on some aspect of their buildings, in the vast majority of cases. Uptown Saint John believes that the city market (linked to the Inside Connection) in Trinity Royal has complemented heritage preservation activity. The "image" of uptown Saint John was turned around from somewhat down-market to a good place to live, work and play. Over the last 15 years the tax base in the preservation areas has seen a 127% increase compared to 84% for the City as a whole. New high-technology businesses have been attracted to heritage structures because they convey a sense of permanence, contribute to employee and customer quality of life and provide visual interest that reflects a positive image of uptown. Building rehabilitation is thought to have created more local jobs per dollar of project cost than new construction (no specific study has been done but estimates have been made on basis of CMHC external research studies of Canada as a whole). A 1999 study of visitors to uptown Saint John indicated that "heritage" was amongst the top three things these people enjoyed about the place (friendliness, and cleanliness were the others). Loft conversions are just starting but hold promise for the future as many "boomers" wish to return uptown.

Difficulties/failure: City council has not been involved enough to understand the benefits and costs of preservation, with the consequence that a few disgruntled property owners have been able to attract the media and convey a sense of conflict. Recent City budget cutbacks have meant that the heritage program has had to focus on regulation, with little time for public education and awareness building. Uptown Saint John staff believe that selling the "heritage" product to residents has been difficult because many do not appreciate what they have in the uptown; tourists appreciate local heritage far more. Many upper floors of commercial buildings in Trinity Royal are under-utilized; owners indicate that they are unwilling to take risks of developing these spaces because of "unknown" restrictions of the National Building Code. Consequently, there has been a disappointingly small uptake of the Upper Floors Grant Program. One speculation is that owners do not want to take a risk with upper floor development because the ground floor storefronts are providing sufficient return on investment to pay taxes and minimal upkeep (the buildings have long ago been paid for). In most cases owners are aged and do not feel they would see sufficient return in their lifetime; they hold on to the properties waiting for someone to invest in a new, major development uptown that would have the effect of causing property values to escalate. The provincial government's focus on call centre job growth requires large floor-plate open office space that is not available in Trinity Royal. Taxes are lower in bedroom communities surrounding Saint John (recent efforts at amalgamation have failed). Persistence of a drug traffic problem in uptown is worrisome for both future economic development and heritage preservation.

Case Study 4. Historic Downtown Core, Halifax, Nova Scotia

Summary

The downtown Halifax core focuses on Barrington Street and its immediately surrounding area; nearly half the pre-1940 buildings on this central street are municipally designated heritage properties. This area is an important location for arts, culture and popular entertainment. While it holds great potential, the core is beset by serious obstacles to preservation and economic development, including functional obsolescence, excessive traffic and transit movement, lack of civic amenities, and low investor confidence. The politics and public policies of the Halifax Regional Municipality (HRM) have so far hindered adoption of a comprehensive downtown Halifax regeneration strategy. Most problematic is an HRM policy that encourages an edge-city model for regional economic development by providing infrastructure and tax incentives for big box retailers and light industries in suburban "business parks". There are no HRM grants programs for the conservation of historic buildings and only modest financial incentives from provincial grants and partial HST rebates on building materials used in preservation projects. Other incentives are limited. The private sector has been largely responsible for the individual heritage rehabilitation projects downtown. The Downtown Halifax Business Commission (DHBC) is the leading champion for a comprehensive HRM strategy for the rejuvenation of the historic core. It has commissioned two studies and is advocating a multi-faceted strategy for downtown regeneration. This strategy recognizes heritage as the prime asset for the downtown's "image" and integrates heritage district designation with transportation planning, use and marketing, and urban design. The HRM appears to be giving some encouragement to the DHBC strategy development (by virtue of partially funding the studies) but the outcome is uncertain.

Conditions: The Historic downtown core of Halifax focuses on Barrington Street and its immediately surrounding area. It is bounded on all sides by significant and active uses including Historic Properties, the Maritime Museum, the Casino and Purdy's Wharf Area, Scotia Square, the Metro Centre/World Trade and Convention Centre, Citadel Hill, Spring Garden Road, Daltech University, Government House and the Waterfront. Substantial modern developments surround and are intermingled with heritage properties and streetscapes in the old Halifax commercial core. On Barrington Street alone, of the thirty-nine pre-1940 buildings on the street, twenty or just under one-half are municipally registered heritage properties. The historic Halifax downtown core is the main location for arts, culture and popular entertainment. For native Haligonians, the core has a special place in their collective memory and still holds considerable potential in its fine stock of heritage buildings and streetscapes. Nevertheless, there are a number of current difficulties including functional obsolescence (both in structures and uses), excessive traffic and transit movement (traffic engineering and management), lack of civic amenities (contributing to an unfriendly environment), and low investor confidence (eg. poor quality storefronts and signs continue to be placed on buildings, even registered heritage buildings).Since the mid-1990s, the former municipality of Halifax has been amalgamated with other communities into the current Halifax Regional Municipality (HRM). The policies of the HRM (or lack thereof) have contributed to these, especially in respect of public investment in the Halifax historic core that could encourage heritage building rehabilitation and economic development. As yet the HRM has no "master plan", only the existing individual municipal planning strategies of the former municipalities. Additionally, the "core" currently has no councillor who represents and speaks for the old Halifax downtown as such (the core is included in a larger constituency area). And particularly problematic is the HRM policy of investing in infrastructure and providing tax incentives for retail and other enterprises (mainly big box retailers and some light industry) located in several suburban "business parks". There has been little public investment in the downtown since the 1980s (some limited improvements were made in 1995). Accordingly, there is not a "level playing field" for public or private investment in downtown Halifax.

Regulatory measures: The municipality (HRM) has 775 municipally designated heritage properties of which the greatest percentage are located in the historic Halifax core. *The Heritage Property Act* authorizes municipalities to establish a registry of locally significant heritage properties by adoption of a Heritage By-law. Although provincial legislation makes provision for municipal designation of heritage conservation districts, none have so far been designated in the HRM. Demolition and alteration controls apply to all such registered properties. There are also a number of provincially designated heritage properties in the core (mainly churches and other institutional buildings). Heritage properties registered by the Province are subject to a development control system under provincial jurisdiction.

Financial Measures: Although the former City of Halifax grant-aided several heritage preservation projects in the downtown core up to the early 1990s, the HRM currently provides no direct financial assistance to heritage properties. The Province has a limited grants program. It also rebates the provincial portion of the HST on building materials used in conservation projects, except in the case of revenue generating properties; the commercial buildings that comprise the majority of the Halifax core are therefore not eligible.

Other inducements: Within the Municipal Planning Strategy (MPS) for the former City of Halifax (still legally in force), there is a policy for heritage properties which permits consideration of uses not permitted within the zone in which it is located, provided that the conversion to a new use is handled under a development agreement. The downtown core is identified in the MPS has an area to which this provision applies.

Public Participation/education: With respect to matters concerning municipal heritage programs, the Halifax downtown core receives the same basic information as the rest of the HRM and is involved in applicable HRM public participation exercises. There are no special initiatives in place at this time for the Halifax downtown.

Marketing and promotion: The leading advocate for the historic core is the Downtown Halifax Business Commission (DHBC); it undertook a strategy study for the rejuvenation of Barrington Street (1998) and recently has decided to expand this initiative to produce a "vision" and strategic directions report for the entire historic core (both works have been financially assisted by the HRM). Marketing strategy has been an important component of these initiatives and indeed of all DHBC activities. The Commission is especially active in forging promotion partnerships. For example, it has a close working relationship with the Waterfront Development Corporation, especially in connection with signage along the waterfront that directs people to the downtown core and encourages linkages with historic resources on the waterfront such as Pier 21.

Successes: The DHBC's recent studies have recognized that the heritage buildings of the core are a unique asset that must be preserved and enhanced as the distinctive "image" for downtown Halifax, one that will attract economic development. Indeed, the DHBC strives to make the case with the HRM that the downtown core currently brings and can be made to bring even greater economic benefits to the new city as a whole. Presumably, the HRM is listening to some degree because it has partly funded the aforementioned DHBC studies. The Commission is currently looking to recommend to the HRM a series of historic districts, or one large historic district, for the downtown core. The DHBC also recognizes the need to integrate heritage preservation into a multi-faceted strategy that includes transportation planning, heritage district designation, area/building use development and marketing, and urban design. And, the Commission encourages the development of preservation technical studies, particularly Buildings at Risk Surveys, as essential tools in making sure that public and private investments are targeted at the key problems and opportunities. Over the last few decades, private owners and investors have undertaken a number of significant building rehabilitation and conservation projects in the Halifax downtown core (in some cases, with the aid of public funding), without the guidance of a municipally approved strategy for the regeneration of the downtown. The Province has undertaken some important initiatives as well (eg. a former Eaton's Store on Barrington Street has purchased by the Province for use as offices and for the Nova Scotia Centre for Craft and Design) yet without an overall policy for the downtown.

Difficulties/failure: The political factors and forces created by the establishment of the HRM and its public policies may well have been the greatest obstacles to progress with heritage preservation and economic development in the Halifax downtown core (see Conditions, above). All the same, the old municipality of Halifax had taken no substantial action to regenerate the core from about 1980 to the mid-1990s. The HRM heritage and planning staff have an interest in establishing one or more heritage districts but recent municipal budget cuts have put the matter on hold. The current lack of direct financial assistance for heritage building preservation from the HRM and the paucity of other inducements (only a planning policy that allows change of use under agreement) mean that the regeneration of the Halifax downtown is almost left entirely to market forces and private investors willing to take the risk (save for the advisory and advocacy support of the DHBC).

Case Study 5. Old Montreal, Québec

Summary

Old Montreal is an area that, since 1964, has shifted from being an overwhelmingly government-supported initiative to being at least partly market-driven. The public sector's role has included (a) restoring the view of the harbour, (b) support for recreation/tourism uses on the harbourfront, (c) significant subsidies, (d) even more significant streetscape improvements, (e) special financing arrangements and (f) special promotional efforts. Tax inducements are non-existent; thus, although the Québec Cultural Property Act includes the possibility of using property tax abatements under certain circumstances, these inducements have never been utilized in the Old Montreal initiative.

The private sector is more interesting. Entrepreneurs had to learn by trial-and-error: there was no one to show them how to rehabilitate heritage for profit. Early on, the area acquired a web of pro-active groups of entrepreneurs; later, several larger developers became interested in heritage-type rehabilitation on a business basis. Heritage buildings in Old Montreal now compete (often successfully) for corporate head offices, particularly among the most progressive and "global-oriented" industries.

The area has had its share of false starts, and still has certain shortcomings. Its residential component is still weak, and relies primarily upon infill as opposed to rehabilitation; commercial premises still have a high rate of under-utilization (although it is dropping); and the public sector, unlike the private sector, has been extremely slow to lease in rehabilitated buildings. Old Montreal demonstrates, however, that it is feasible to create a desirable centre for corporate headquarters in a commercial heritage district, with full integration with its harbourfront.

Conditions: Old Montreal was constituted a historic district in 1964. Its boundaries correspond roughly to the fortifications of the city as of 1717, minus areas that were carved out in 1964 so that a bank and the provincial government could each build highrises. The area contains some 400 buildings, ranging in age from over 300 years, to very recent infill. The following are features that make the area similar to downtown of St. John's:

- the number of buildings is large, therefore requiring a *systems approach* more than an *ad hoc* approach;
- the buildings are of all sizes (although the average square footage is higher than in St. John's);
- the buildings represent a mix of institutional, commercial, industrial and residential buildings (although Old Montreal has a much lower residential component than St. John's, a much larger commercial component, and a more serious problem of commercial under-utilization.);
- the evolution of the area is closely intertwined with the Harbour, which is under federal jurisdiction.

Unlike St. John's, the typical heritage construction in Old Montreal is 4 storeys of masonry over wood frame. Much of it dates back to the period from 1840 to 1880. There are several buildings of larger scale, some exceeding 10,000 sq. ft., which have been warehouses throughout the 20th century. There is no clapboard whatever, but there are the usual concerns about fire, codes, etc.

In recent decades, tourism has been the economic backbone of Old Montreal; current visitation levels are about 11-12 million visitors annually. This sector was assisted by the Federal Government's conversion of a huge port area to a recreational zone in 1992, an area which now accounts for about half of the visitations. However tourism has not generated enough activities to provide true prosperity. For years, it was said that the ground-floor tenants were T-shirt shops, and the upstairs tenants were pigeons. Another frequently-repeated phrase was that Old Montreal was Montreal's nicest district that was open for only three months a year. There were grumblings that the 1964 decree had made the district too big - so large, in fact, that it could never be filled up with viable enterprises, and that there would always be too much vacant space "dragging down the rest of the market." Unlike St. John's, which might be described as a diversified heritage area in search of tourism, Old Montreal may be characterized as a tourist area in search of diversification. Attempts included conversion of a giant warehouse to condos (René Lévesque bought one), programs to induce conversion to offices and infill construction for government offices and condos, etc.

There was a burst of activity in the 1960s (in anticipation of Expo '67) followed by a lull in which population actually dropped. After 1979, there was another flurry of activity. Subsequently, partnerships with the private sector started to take shape. A large block of massive "St. James Street" heritage buildings (totalling over a million sq. ft.) was assembled by a developer, merged (the alley was turned into a central atrium), rehabilitated, and then target-marketed at smaller import-export firms under the name "World Trade Centre.". Next, the development community and the provincial government joined forces to create a "free port" for multi-media firms (who, like the import-export firms, are still more preoccupied with an "*avant-garde*" image than they are with conventional Open Concept offices). Old Montreal is now considered the multi-media capital of Canada. Federal harbour authorities (now the National Ports Corporation) also helped: they concluded that the construction of giant (and now redundant) concrete grain elevators after World War II had improperly blocked the view of the Harbour; thus they were removed and their waterfront site was subsequently converted into recreational/tourist space.

Old Montreal can count on several developers who are commercially interested in heritage-type rehabilitation projects. It also has a dynamic property-owners' association (since 1964), which is an outspoken advocate of restoration projects; however, the association does not include many of the absentee owners/landlords, whose moral support cannot be counted on as readily. There is also an official "round table" which meets regularly (over dinner) to allow private sector interests to discuss

Regulatory measures: Old Montreal was constituted a historic district in 1964 by provincial decree. It is now a provincially-classified protected district under the Québec *Cultural Property Act*. That Act foresees that heritage districts may be created by either provincial or municipal authority; it also provides the framework for extensive delegation of provincial supervisory authority to municipalities. The arrangements for such a delegation of authority are usually committed to writing in a Memorandum of Understanding ; starting in 1979, the City of Montreal and the Government of Québec have had such MOUs, which are renegotiated from time to time, and under which the provincial supervisory powers are partly integrated with municipal officials and institutions. This pleases the business community, which had previously complained that it was tedious and inefficient to seek separate approvals from two different governments (i.e. provincial heritage approvals and municipal building permits).

The *Act* specifies that no alterations nor demolitions may occur without governmental consent. The supervisory jurisdiction of the heritage authorities also extends to infill construction. Finally, the Act declares that heritage approval must be obtained not only for demolition on the site, but also for all demolitions within some 160 metres of a classified building.

Businesses continue to pressure the City to "telescope" as many approvals as possible into a single process ("*interface unique*", which could be translated as "one-stop-shopping"). Estimates for holding time, for the approval of rehabilitation projects, varies from a low of eight days to a high of eight months.

Financial measures: Like its predecessors, the most recent MOU provides a subsidy for approved heritage restorations. The provincial government takes philosophical exception to tax measures, and prefers cash grants "for fear of setting a tax precedent" (e.g. when ecclesiastical owners joined forces to ask the Province to rebate the tax money payable on restorations, the Province preferred giving them an outright "grant" of $100 million, rather than admit that the payment was in *any way a return of money earned by the provincial treasury* from the churches' efforts).

Paradoxically, the Province was ready to supply major employment tax credits to employers in the multimedia industry, and declared part of Old Montreal as a "Free Port" for that industry. Nortel, Bell and other companies have a presence; Discreet Logic - one of the world's foremost producers of virtual imaging - created a striking headquarters in an old foundry.

The private sector has had some players like Barclay's Bank, that have been ready to invest. An even more important player is SOLIM, which is the investment fund of the FTQ, the Québec Workers' Federation. Pursuant to a policy of attracting small hotels to the area, a branch of the Province guarantees loans for such projects.

Other inducements: The City has several of its own offices in rehabilitated heritage buildings. It also has invested heavily in streetscape improvements and embellishments.

Old Montreal also had the help of SIMPA, a municipally-formed body assigned specifically to help rehabilitation and promote Old Montreal. SIMPA was reintegrated into the City's Planning Department in the 1990s (now merged into the City"s "Economic & Urban Development" Department.

Parking requirements are waived for developments in Old Montreal. However, there is a large supply of at-grade parking, inherited from the demolitions that occurred before the creation of the protected district. The public sector has also assisted two large indoor parking facilities.

Public participation/education: From the outset of its existence as a protected district, Old Montreal had a web of organizations for the private sector, e.g. a merchants' association, a commercial property-owners' association, a residents' association, plus the usual cultural and heritage interests. These offered a venue for the exchange of ideas. The task of reconciling these groups with each other – and with the three active levels of government – fell to a "round table".

The fact that everyone had to learn by trial and error was a problem. The entrepreneurs, contractors and developers who learned how to "develop" heritage successfully are all essentially self-taught. Mistakes were made, including technical errors requiring owners today to redo some of the work done only a few years ago. However, there is now a substantial body of entrepreneurs who have the knowledge to continue the process of upgrading the area on a largely market-driven basis.

Marketing and promotion: Attracting businesses, residents and tourism to Old Montreal is a joint effort by the associations, the heritage developers, and the City's economic development agency. This includes everything from a web site to festivals.

The City's economic development agency also makes it its business to entice foreign capital, e.g. European capital which is currently being invested in small hotels.

Successes: Old Montreal has demonstrated that it is possible to produce high quality space in rehabilitated heritage buildings, and that these new facilities can compete with glass-and-steel towers as head offices for major corporations. For example, Ivanhoe Inc. abandoned its offices in Place Alexis Nihon (a highrise tower) in favour of Old Montreal. Their rationale was cost-competitiveness; but for the multi-media companies, it was image, and proximity to each other (companies in a given industry were encouraged to "move in packs".)

Difficulties/failure: The difficulty of attracting residential units into rehabilitated buildings (i.e. other than infill) is not helped by the absence of grocery stores and other services which one usually finds in residential districts.

There is the question of commercial projects. There are several buildings in Old Montreal that are very large and solid nineteenth-century warehouses. One such building became an important case study for what is right - and wrong - with the adaptive re-use of heritage property as office space for a major international corporation.

The corporation, Xerox, was vigorously courted by SIMPA to rehabilitate and occupy such a building. Xerox agreed on a five-year pilot basis. The building was indeed rehabilitated and, today, is an imposing property.

The Corporation's own experience was less impressive. In the words of its architect, although Xerox had committed for five years, it "toughed it out for seven", and then moved to campus-type premises in the suburbs. The problem of the Old Montreal location was not the building itself. It was the access:

- Employees had a modest walk to the closest parking, and substantially further to public transit. Some companies consider that fatal - Xerox did not. In fact, however, it was not the distance from employees' parking that was the problem but rather the route: it was poorly-lit and ran past several vacant buildings. The result was that employees felt unsafe.
- The walk to the nearest parking was particularly reviled by *suppliers*. The people with whom Xerox did business complained about having to walk any distance with heavy sample cases, equipment for display, etc.

Ultimately, Xerox moved to premises where parking was available at the doorstep (although public transit is no easier than before). Furthermore, even though this experience was supposed to be an educational turning point in the evolution of Old Montreal, the same problems of lighting and access continue to elicit complaints. However, the situation is improving and the number of underutilized commercial buildings is dropping.

Observations from Elsewhere

The following observations from other Canadian cases as well as many from abroad are presented in the form of brief descriptions about the nature of initiatives in ten "mini-case studies" and particular aspects of these that illustrate an interesting strategy or practice that can be shown in yet other examples.

Strathcona Neighbourhood, Vancouver

This is one of Vancouver's oldest neighbourhoods. A multi-partner cost-sharing project (including a major charitable foundation, the local residents association, a neighbourhood housing society, and a university) was undertaken with property owners in the mid-1990s to help restore the porches (many of which were missing) on the area's distinctive houses. An attractive booklet was provided to owners and others on the history of neighbourhood architecture, with guidelines for its care. Street crime was significantly reduced (watchful eyes enhance neighbourhood safety) as a direct

result of preserving and enhancing the area's heritage character.

Boyle and McCauley Area Neighbourhood Improvement Plan, Edmonton

The City of Edmonton won a national award for a plan to improve this down-at-heels neighbourhood. Residents of the neighbourhood were invited to help develop ways to make the place where they lived more attractive, safer and prosperous. Many "bought into" the idea enthusiastically. On completion of the plan, participants were each presented with a personal "Legacy Award" for their contribution, and the children were presented with a "Certificate of Inheritance". These tokens of accomplishment featured children's artwork depicting their neighbourhood as the plan envisioned. One positive outcome was the refurbishment of a landmark heritage property formerly used as a "flop house" into a women's shelter.

Old Town, Victoria

In 1998, the City of Victoria's Council established a property tax incentive program designed to help stimulate the conversion of vacant or under-utilized upper floors of heritage commercial buildings in the downtown (Old Town) to residential use. An earlier study had looked at property tax incentive programs in Edmonton, Regina and Saskatoon and interviewed the owners of twelve heritage buildings in Victoria. It was found that a tax incentive program alone would not make a major impact on financial viability but might induce some owners to proceed with rehabilitation. The program adopted by the City deals with the costs of heritage rehabilitation by providing a complete exemption of a building's taxes for up to ten years equal to the value of the costs of seismic upgrading (a major problem). The City's strategy is that the tax program, working in combination with the existing grants programs of the Victoria Civic Heritage Trust, will

encourage residential conversions of upper floors in commercial heritage properties in the Old Town. (Winnipeg adopted a similar initiative in the same year. Under this arrangement, owners of heritage buildings are exempt from business or property taxes - worth up to 50% of their renovation costs - for a period of up to 10 years.

"The Kings", Toronto

In the mid-1990s the City of Toronto took a bold new initiative to encourage adaptive re-use and reinvestment within two large areas of downtown next to the financial core - King-Spadina and King-Parliament ("The Kings"). Vacant factory and warehouse space is ubiquitous as a result of de-industrialization. The City rescinded most zoning use and density restrictions and provided in their place as-of-right planning permission, coupled with new built form regulations that focus on height, depth, setback and light, view and privacy standards. Detailed built form and urban design guidelines are provided for streets and neighbourhoods of special character. Added to these measures are floor area bonuses above height limit, exemptions from parking and loading requirements and community improvement policies. The conservation of heritage buildings is encouraged by increasing the amount of floor area bonuses in direct proportion to the amount of heritage fabric preserved (from the facade to the entire building envelope). Simply put, the strategy was to change the regulatory approach - from land-use based to design-led, and to remove other disincentives to redevelopment.

The Strand, Galveston, Texas, USA

Galveston's economy is based primarily on tourism and health care, although its older shipping, fishing and marine industries continue. The Strand is the main commercial street of the original 13-block downtown (the city core shifted a few blocks away in the mid-1980s because of competition from suburban malls). The Galveston Historical Foundation (GHF) sparked regeneration of the Strand in the mid-1970s and 1980s by purchasing, restoring and occupying buildings, by setting up a revolving fund, and by working with local lending institutions to set up a joint line of credit (in the millions of dollars) to streamline application procedures with banks participating in the scheme. Private and non-profit investors were the dominant force in revitalization, but funds banks loans and federal agency funding were also key. Regulation came later; the Strand Historic District was not legally designated until 1988. At about the same time, the City increased its commitment by dedicating 1% of hotel/motel bed tax receipts to heritage rehabilitation projects, and by establishing tax reinvestment zones where a level property tax assessment is guaranteed over a ten year period. In the late-1980s and 1990s regeneration in the Strand spilled over into an adjacent old residential area (Silk Stocking Historic District) and in the nearby waterfront. The GHF helped the Silk Stocking Historic District with its revolving fund, design and rehabilitation advice, and with the Paint Partnership Program that provides free paint to qualifying homeowners.

Lower Downtown, Denver, Colorado, USA

In the mid-1960s a developer rehabilitated Larimer Square, a block of Victorian storefront buildings and adopted shopping centre management techniques whereby tenants signed a lease with base rent, and also paid a percentage of their profits and assessments for local promotions. This proved to be the catalyst for a rebirth of the surrounding Lower Downtown, characterized especially by loft conversions and the growth of entertainment and arts-oriented retail establishments. Momentum has continued into the 1990s. Historic district designation of Lower Downtown came in 1988. With it was established a Downtown Design and Demolition Board (DDRB) as a subcommittee of Denver's Landmarks Commission. The DDRB has the power to deny certificates of appropriateness to heritage building development unless economic hardship can be proven. To balance this regulatory measure, a number of incentives were provided. Substantial public sector expenditures were made in streetscape and pedestrian improvement schemes. The Lower Downtown Business Support Office provides volunteer technical business assistance (legal, accounting, marketing, financial), an available space bank inventory to help with placing tenants looking for affordable leases, and access to numerous small business loan programs for clients. And, the Lower Downtown Revolving Fund (low-interest loans set up by local and county governments, the National Trust for Historic Preservation and others) has leveraged private investment by a ratio of nearly three to one. On the negative side, City capital improvements in road infrastructure has had the unwanted effect of increasing traffic; it has been recognized, however, that this needs to be rectified to keep traffic at the edges of the district and not in it.

Pike Place Market Historical District, Seattle, USA

Seattle's Pike Place Market, established in 1907, is the oldest continuously operated public market in the United States. Seattle residents voted to save it in 1971. It is now a U.S. national historic district. Seattle's Pike Place Historical Commission reviews all buildings and structures in the historic district according to design and use guidelines that ensure the market retains its traditional character. While the market continues to fulfill its original function of providing local farmers a site to sell fresh produce, it has diversified and sparked new uses that complement retailing. There are now 115 farmers, 150 crafts-people, plus 250 other shops and commercial businesses. Commerce is conducted under the roofs of many historic buildings connected by a bustling thoroughfare, charming alleyways and quiet viewing areas. It features small specialty shops instead of large, impersonal chain stores. There is live music of street musicians and the spontaneity of performance art. Because the market is downtown it serves a largely low-income population through its 500 residential units. It has a medical clinic, a food bank, and senior citizen, childcare and preschool facilities. It is located within easy walking distance of downtown neighbourhoods and is easily accessible by ferries and transit lines from throughout the region. There is a full-time public education coordinator for the market, and slide shows and walking tours help educate the market's 9.6 million annual visitors. Notwithstanding its function as a

tourist attraction, Pike Place businesses, facilities and activities serve the host community as a matter of priority. Farmer's markets are proving to be a growing and thriving business in the regeneration of North American downtowns, and Pike Place has been a model for many.

Grainger Town, Newcastle-upon-Tyne, UK

Grainger Town lies at the heart of Newcastle and comprises a largely intact late-1830s scheme originally executed by a local developer. This set piece of early 19th century town design in England includes 244 designated heritage buildings (or 39% of all structures). The area covers a major part of the Central Conservation Area (designated heritage district) in the city. Grainger Town has suffered in economic terms from a variety of problems. In the 1960s and 1970s, office users were attracted away to more spacious modern accommodation in another area of the city and, ironically, in the 1980s to a rehabilitated warehouse area on the waterfront ("Quay-Side"). The core retail also shifted to a regional shopping centre. Added to this was a steep rise in property tax assessment while at the same time office rents remained stagnant. Heavy traffic contributed to environmental erosion. In 1992, with the help of English Heritage, a comprehensive study was undertaken of the historic fabric, traffic issues and development opportunities. A major feature of the Study was a *Buildings at Risk* survey that found 47% of the heritage buildings "at risk" and a further 29% vulnerable. During the 1990s over $7 million has been allocated by central and local government partnerships to conservation-led regeneration, principally through grant support of up to as much as 60% to 80%; this in turn has levered substantial investment by the private sector. Priority has been given to the reuse of vacant upper floors and encouraging the sale of buildings to new owners that are willing to bring "at risk" buildings back into viable use. Remarkable progress has been made with pedestrianization schemes, streetscape improvements, the establishment of a better retail mix, and conversion of vacant upper stories of commercial buildings to affordable housing.

Little Germany, Bradford, UK

Located on the edge of Bradford city centre, Little Germany features one of the finest collections of Victorian warehouses in the UK. Designated as a conservation area in 1973, of the 85 buildings, 55 are individually designated heritage properties (called "listed buildings"). In the early 1980s, half the floor space was vacant and many of the buildings were derelict. Nevertheless, the City developed a conservation-led regeneration strategy that was to transform the area. A vision was set for Little Germany's future which highlighted its potential for recreation, a base for innovative companies and designers, and also as a place to live. The Council promoted two important flagship schemes - Merchants House that provided managed work-space (an "incubator" for small enterprises getting a start), and the Bradford Design Exchange that created 27 studios and a sizeable exhibition space (largely with funding from the European Union). This in turn attracted private investment in refurbishing a further 14

buildings. By 1993, 10 of the buildings remained vacant, 147 companies were located in the area employing almost 3,750 people, the building stock had been rehabilitated and more than more than $36 million of public and private investment had been attracted. In 1999, the Urban Village Company was set up between local and regional authorities, a non-profit organization and private sector developers to spark further reinvestment in the area. An initial 18-month project, started with $216,000 in funding, will look at ways to bring still redundant and under-occupied buildings back to life as mixed use, private-sector housing developments.

Temple Bar, Dublin, Republic of Ireland

Temple Bar is a quarter of Georgian Dublin that has undergone major regeneration since the early 1990s. The Republic of Ireland does not have a statutory system of central government heritage designation. The Dublin Corporation developed an action plan to conserve the quarter's townscape, including some 95 locally designated heritage properties. Soon after, the government announced a package of income tax incentives (50% capital allowances for new construction and 100% for rehabilitation) as well as rent and property tax allowances. Two government companies were set up to manage the strategy. By 1996, numerous vacant sites had been redeveloped and existing sites refurbished with the creation of 131 new businesses, including cultural centres, restaurants and cafes, public houses (bars), retail units, entertainment clubs, hotels and apartments. In conservation terms it was a disaster: 20 historic buildings were demolished (totally or substantially), a further 7 were inappropriately altered to accommodate new uses, and many new developments exceeded height limits or otherwise adversely affected the area's character. Amongst the causes for failure some of the key problems were: lack of effective legislation; no detailed inventory of historic buildings; the 50% capital allowance for new development still applied where a heritage building was demolished; facade-retention projects were eligible for the 100% capital allowance; "investor developers" were more interested in clearance and new construction because of perceived greater return on investment due to time and special skills needed for conservation; small conservation minded developers, not being cash rich, were unable to benefit from tax breaks and would have been benefited instead by small grants; and demolition and facade-retention were encouraged by fire safety authorities (equivalent to building inspectors) because it was seen as the as easiest way to meet compliance standards. On the other side of the coin, Temple Bar includes some of the best new architecture in the city for decades and economic development and other benefits have been achieved.

Summary

From the five concise case studies of Canadian cities plus the observations from elsewhere that have been presented in the foregoing discussion, the following key points can be made. This list of lessons is by no means comprehensive since any case study survey is necessarily limited by the number and selection of the examples examined. All the same, this summary does reflect many of the major trends and emerging issues in Canada and abroad that in some way should inform strategic decision-making for economic development and heritage preservation in downtown St. John's.

- Successful strategic plans have been founded on active participation of City Councils in a process of negotiation with key stakeholders and the community's citizenry at large, as well as with prospective private sector partners needed to realize planned actions.

- Recent actions to realize urban regeneration strategies in North America have been increasingly driven by private sector investment (and investor confidence in the rehabilitation market). However, experience clearly shows that market forces are not generally sufficient on their own; some form of public or non-profit organization incentive or inducement, coupled with sensible regulatory measures to protect the public interest is usually necessary (and often was put in place earlier). Where market forces have acted on their own, heritage preservation has "muddled along" (called "disjointed incrementalism" in planning theory) and the character of buildings has often been compromised. The UK provides a different model, one where conservation-led regeneration has enjoyed substantial direct financial assistance, from the planning to execution stages.

- Strategies often distinguish in their plan of action between legally designated heritage buildings and areas, buildings/areas of character that may be considered eligible for heritage designation (by way of appearing on lists or inventories having no legal standing or through other public means of recognition), "older" building stock that has an economic use or potential for adaptive re-use, and compatible new construction and urban design that support the historical nature of a locale. At the simplest level, within the context of the building rehabilitation industry, distinction is usually made between legally designated heritage properties and other existing structures because the former are subject to regulatory measures (which have economic effects) that the others are not.

- Regulatory measures to protect built heritage in downtown areas employ, as a method of choice, statutory and local by-law instruments to establish designated historic districts, although in Canada this varies greatly depending on the province concerned (some cities have no historic districts or only ones in residential rather than commercial areas).

- Removal of disincentives inherent in the City planning system and in administrative structures and processes often has been a strategy of choice, albeit most often accompanied by some form of financial and other inducements for conservation/ rehabilitation. Experience in other jurisdictions clearly shows that non-financial mechanisms are also worth "real money" to people; these non-monetary inducements may include such measures as flexible and bonus zoning provisions, exemption from development fees or parking requirements, proactive initiatives with prospective investors or fast-track approvals.

- Heritage revitalization agreements between local authorities and property developers are being used as a means to encourage reinvestment by defining specific packages of inducements and creating a greater degree of certainty for developers and the community.

- Indirect financial incentives in the form of tax breaks (especially in respect of property tax) are being increasingly adopted in North America either as a replacement strategy for direct incentives (grants and loans) or as a complementary strategy to direct financial assistance and other inducements (especially those which remove "disincentives").

- Investment in public infrastructure (roads, streetscape improvements, etc.) is an important inducement to heritage preservation as well as economic development. Care needs to be taken, however, that these do not have unwanted adverse effects: increased traffic as a result of road upgrading, or ill-conceived traffic management schemes, are particularly problematic.

- Informational and advisory instruments such as "buildings at risk surveys", "vacant affordable space inventories", and volunteer business support services, have proved especially beneficial for economic development and heritage preservation initiatives in the downtown.

- Public participation is essential in strategic planning. Where special effort is taken to recruit community leaders and emerging leaders there is usually greater support for resultant plans and actions; visible public recognition of individual residents' contributions help to build further support and to encourage market forces in appropriate directions. Public education includes a variety of initiatives aimed at property-owners, investors and the general public; examples include conferences, workshops, newsletters, awards, plaque programs, walking tours or web sites.

- Marketing and promotion is sometimes lead by the local authority but more frequently by retail business associations with a primary mandate to boost downtown. Amongst the initiatives used are information portfolios, print literature and electronic media (including web sites), physical interventions to "beautify" streetscapes and forging of partnerships with key stakeholders. An especially interesting development in urban regeneration from the marketing perspective is the historic downtown public market (or "farmers" market); these community activity focal points provide a springboard for many marketing and promotion as well as educational opportunities.

- Adaptive re-use strategies, while not new, are enjoying a renaissance as a response to economic change that has resulted in the functional obsolescence of industrial, commercial and institutional buildings. While appearing to create a "problem", these redundant structures also offer new opportunities for reinvestment. Conversion schemes often have been planned around a "vision" or theme for an area; these range from high-tech to arts-oriented enterprises and even the offices of global corporations. Mixed-use schemes incorporating residential use are increasingly preferred; repopulating the heart of the city supports policies for "intensification" of development and economic activity.

- Sustainable economic development in association with heritage preservation in downtown areas is often threatened by uptown mall environments (usually characterized by a physical connection between buildings that has the effect of keeping shoppers inside and thus discouraging trade at on-street retail establishments). Out-of-town or edge-of-town regional malls and big box retailers also present a threat. Another difficulty is substantially lower property tax rates in suburban areas (or edge cities) surrounding the city with an historic downtown district.

- Heritage preservation and economic development in downtown areas are increasingly challenged by a variety of social problems (drug trade, homelessness, health issues, crime etc.) that must be tackled; such problems often create a perception by residents and tourists that downtown areas are unsafe.

- Although it has been often said that "knowledge is power", it is equally true that "knowledge is money." It is arguable that the single most important step, in launching the St. John's heritage area in the late 1970s, was the Heritage Advisory Committee's policy of advising owners that a misguided renovation project could be replaced by a more appropriate one - at equal or lesser cost. Similarly, in cities like Saint John, Quebec and Winnipeg, the "how-to" publicity disseminated by these cities is credited not only with improving the quality of work, but also, more importantly, with demystifying heritage and the economics of intelligent rehabilitation. In this respect, the case study data presented in this background report shows quite clearly that "knowledge" is the first essential step toward investor confidence.

- However, programs to illustrate good residential rehabilitation only scratch the surface. A major and much more significant problem - namely demystifying commercial rehabilitation - has hardly been touched. In cities like Montreal and Ottawa, various entrepreneurs have acquired their rehabilitation skills and know-how - but without any help, and often with great difficulty. The situation among public sector asset managers is even worse: although there is an elaborate training system offered through the facilities management network, it appears that no one has yet had the presence of mind to show (systematically) public sector managers either how to administer their own older buildings in the most effective manner, or how their agencies should lease older buildings in a way that can meet contemporary public sector needs.

- Furthermore, the information needs are not confined to purely technical ones. In a market-driven system, the single most important item of information is how to bring supply together with demand. That presupposes the existence of knowledge and awareness of two key areas: 1. how the supply and demand side can find out about each other, and 2. how the supply side can portray its product in the most attractive way possible to the potential demand.

- When those elements of knowledge are missing - as they generally have been at the inception of almost every heritage district - then it is still possible to make the district a success: but experience of the last few decades shows that such success needs a great deal of luck, time (15 - 20 years) and, quite frequently, massive infusions of money. However, when the knowledge is present concerning (a) buyers and tenants who know how attractive heritage spaces can become, (b) marketers who know how to market heritage in a professional and expert manner, and (c) entrepreneurs who have technical understanding of how to rehabilitate properties profitably and competently, then the process can be jump-started. More significant, the overall costs of any rehabilitation initiative can drop exponentially and, as such, can result in increased savings and profits to sellers, buyers and developers.